

Statement of the Honorable Greg Walden
Chairman, Subcommittee on Communications and Technology
Hearing on “Using Spectrum to Advance Public Safety, Promote Broadband,
Create Jobs, and Reduce the Deficit”
(Remarks as Prepared for Delivery)

We’re here today for a broad overview on how spectrum can help expand broadband availability, advance public safety, help broadcasters further innovate, create jobs, and reduce the deficit. Spectrum is a critical input for broadcast television, wireless voice and broadband services, and public safety communications. As a former radio broadcaster and licensed HAM radio operator, spectrum is a medium with which I am somewhat familiar. These critical uses of spectrum have shaped the way Americans live, work, and stay connected to their families and the world.

None of the services we enjoy today would be possible without the hard work of the FCC and the NTIA to manage the commercial and government spectrum assets of the American people. The FCC’s commercial licensing process has evolved over time. From lotteries – literally ping pong balls in a machine like a Mega Millions drawing – to the so-called “beauty contests” of comparative hearings, the FCC has used a number of tools over the years to determine who would receive licenses and for what purposes. But in 1993, Congress found a way that not only puts spectrum to better use but raises money for taxpayers in the process. Spurred in part by Nobel prize-winning work of Dr. Ronald Coase and “A Beautiful Mind’s” Dr. John Nash, the Congress took the bold step of reducing the government’s role and letting the market decide through government auctions how spectrum should be allocated for commercial wireless services.

Since the FCC began auctions of spectrum for commercial mobile radio services they have been a resounding success, producing a vibrantly competitive and innovative wireless industry and generating more than \$50 billion dollars for the Treasury. In the last major spectrum auction – which covered the spectrum vacated as part of the DTV transition – Congress allocated 24 MHz of spectrum for public safety, provided \$1 billion for public safety equipment, and raised nearly \$20 billion dollars through auction of spectrum for commercial wireless services. That auction is largely responsible for the 4G wireless broadband services coming on line today.

Today we begin discussing how we will get the next wave of spectrum deployed. There is growing consensus we need between an additional 100 MHz and 300 MHz in the short term—say 5 to 10 years—to meet the exploding consumer and economic demand for wireless broadband. Given the staggering growth in smartphone sales, app store sales, and demand for streaming video content, it is no surprise that the FCC’s National Broadband Plan and the President of the United States are calling for an additional 500 MHz of spectrum to be allocated for wireless broadband use in the next five years. There are a variety of options that could be used in combination to start addressing this need.

There are bands of spectrum that are already close to ripe for auction. For example, spectrum in the Advanced Wireless Services band is currently clear. If paired with other spectrum, such as some currently held by government users, that spectrum could be auctioned in the near future.

This raises a related issue. The federal government is a major tenant on federal spectrum. There may be opportunities to make government use more efficient, clear some spectrum for commercial purposes, and use some of the auction proceeds to pay the cost of relocating the government and improving agency communications facilities. The Commercial Spectrum

Enhancement Act is designed to do some of that, but the Act could potentially itself use some enhancing to make the government clearing process smoother.

There is also the 700 MHz D block: 10 MHz of spectrum that was designated for commercial use in the DTV transition. This spectrum is separate from the 24 MHz already cleared for public safety in the DTV legislation, based on recommendations of the 9/11 Commission. Some advocate allocating the D Block to public safety, as well. Others say it should be auctioned to meet our growing commercial wireless needs, and that funding—not spectrum—is the key to creating the nationwide, interoperable public safety broadband network we all seek. Indeed, the auction approach was a central plank of the FCC’s national broadband plan. That approach enjoyed bipartisan support last Congress in this Committee. I look forward to examining this issue again.

While we are on the topic of the D block, I want to thank Senator Gorton and Deputy Chief Dowd for being here today. I think I can speak for all of us when I say we thank you for your commitment to public safety and look forward to a vibrant discussion of the communications needs of America’s first responders.

Another potential tool is “incentive auctions,” in which current FCC licensees can volunteer to relinquish some or all of their spectrum in exchange for a portion of auction proceeds. This can present a win-win-win situation for participating licensees, auction bidders, and the U.S. Treasury. While broadcast television spectrum holds great potential as a candidate for voluntary incentive auctions, it is by no means the only option. There are many other spectrum licensees who may be willing to participate in incentive auctions. I look forward to a robust discussion of how incentive auctions could be applied to licensees of all sorts as an economic tool to maximize the value of spectrum to existing licensees, potential bidders, and the Treasury.

While there has been a lot of discussion about innovation in the wireless communications space, innovation isn’t limited to that industry. America’s broadcasters continue to work to bring innovative services to over the air television viewers. But the broadcasting rules in Title III of the Communications Act are a relic of an era that could not have imagined the technological changes that we have seen in the communications sector. Could incentive auction legislation help provide additional capital for broadcasters to explore next generation services, such as mobile DTV and broadband-like broadcast services? Could that legislation help strip regulatory obstacles that are hindering broadcasters’ continuing efforts to innovate and bring novel services to the U.S. TV airwaves? Innovation should be encouraged to flourish in every part of the spectrum marketplace.

I thank the witnesses for their participation today, and look forward to their testimony.

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